



Priorities of Government

Result Team Process Guide Fall 2006 Tasks

This Guide Includes:

POG Description

Team Roles and Responsibilities

Task Instructions

Key Dates and Contacts

Key POG Dates	
June 1, 2006	Agency strategic plans due to OFM Posted at http://www.ofm.wa.gov/budget/manage/strategic/default.asp
June – August 2006	Kick-off meetings with POG teams
August 18, 2006 September 1, 2006	Agency budget requests due to OFM
September 26, 2006	Products due for Tollgate I
October 3, 2006	1:30 to 5:00 p m. Tollgate I
October 24, 2006	Products due for Tollgate II
October 31, 2006	1:30 to 5:00 p m. Tollgate II
Early November 2006	POG summary report prepared
Mid December	Governor's budget released

POG Team Participants – Fall 2006

<p>Increase student achievement in elementary, middle and high schools</p> <p>Improve the value of postsecondary learning</p> <p>Julie Salvi, Denise Graham, Marc Webster, OFM Budget Deb Merle, Judy Hartmann, OFM Policy Staff and research support—Craig Olson, Carol Jenner, Pat Tasanasanta, Heather Moss</p> <p>Note: Assume that the Washington Learns education study can meet the objectives and develop the products identified for this phase of POG. OFM staff involved in the effort will ensure the objectives are accomplished and that information is made available for the POG process.</p>	
<p>Improve the economic vitality of business and individuals throughout the state</p> <ul style="list-style-type: none"> • Dept of Comm. Trade and Economic Dev. • Dept. of Labor and Industries • Dept. of Agriculture • Dept. of Revenue • Dept. of Financial Institutions • Employment Security Dept. • Utilities and Transportation Comm. • Marc Baldwin, Policy • Scott Merriman, OFM <p>Staff and research support: Doug Jenkins, Mike Woods, Jim Schmidt</p>	<p>Improve the security of Washington's vulnerable children and adults</p> <ul style="list-style-type: none"> • Dept. of Social and Health Services – various administrations • Dept of Comm. Trade and Economic Dev. • Office of the Superintendent of Public Instruction • Dept. of Veterans Affairs • Home Care Quality Authority • Kari Burrell, Policy • Carole Holland, Budget <p>Staff and research support: Tammy Hay, Deb Came</p>

POG Result Team Process Guide - Fall 2006 Tasks

<p>Improve the safety of people and property</p> <ul style="list-style-type: none"> • Military Dept. • Wash. State. Patrol • DSHS-Juvenile Rehabilitation • DSHS-Drug and Alcohol Substance Abuse • Dept. of Corrections • Dept. of Licensing • John Lane, Policy • Garry Austin, OFM Budget <p>Staff and research support: Brian Enslow, Steve Masse, Thea Mounts</p>	<p>Improve the health of Washingtonians</p> <ul style="list-style-type: none"> • Dept. of Health • Health Care Authority • DSHS-Medical Assistance Admin. • Dept. of Labor and Industries • Christina Hulet/Mark Rupp, Policy • Nick Lutes, OFM Budget <p>Staff and research support: Harold Nelson, Carole Holland</p>
<p>Improve the mobility of people, goods, and services</p> <ul style="list-style-type: none"> • Dept. of Transportation • Freight Mobility Strategic Investment Bd. • CTED-Growth Management • Transportation Commission • Transportation Improvement Board • Dept. of Information Services • Jennifer Ziegler, Policy • Robin Rettew, OFM Budget <p>Staff and research support: Rich Struna, John Bauer</p>	<p>Improve the quality of Washington's natural resources</p> <ul style="list-style-type: none"> • Dept. Fish & Wildlife • Dept. of Ecology • State Conservation Commission • Puget Sound Action Team • Interagency Committee on Outdoor Recreation • Dept. of Natural Resources • Keith Phillips, Policy • Jim Cahill, OFM Budget <p>Staff and research support: Jim Skalski, Ann-Marie Sweeten, Carol Jenner</p>
<p>Improve cultural and recreational opportunities throughout the state</p> <ul style="list-style-type: none"> • State Parks • Dept. Fish & Wildlife • Arts Commission • Wa. St. Historical Society • Interagency Committee on Outdoor Recreation • Dept. of Archeology and Historic Preservation • Kathleen Drew, Policy Staff • Linda Steinmann, OFM Budget <p>Staff and research support: Heather Moss, Erica Gardner</p>	<p>Strengthen the ability of state government to achieve results efficiently and effectively</p> <ul style="list-style-type: none"> • General Administration • Dept. of Information Services • Dept. of Personnel • OFM Systems • State Printer • Dept. of Social and Health Services • Dept. of Retirement Systems • Wa. State Lottery • Liquor Control Board • Antonio Ginatta, Policy • Theo Yu, OFM Budget <p>Staff and research support: Deborah Feinstein, Rochelle Klopfenstein, Yi Zhao</p>

Note: Bold indicates Team lead. Staff and research support: Budget analysts will provide general staff support to the team. Forecasting staff will provide data and research support including technical assistance for the development of indicators and, where available, meta-research on the effectiveness of activities within POG result areas.

What is POG?

The “Priorities of Government” budget approach helps guide budget decisions by producing a results-based prioritization of state activities.

The POG Process

The process starts by identifying the **priorities of government**: in this case, 10 key results citizens expect from government.

- Each result is assigned a team of experts from different agencies, led by staff from the Governor’s budget office.
- These teams present their work at a series of “tollgate” meetings with the Guidance Team – a group of executives from state and local government and private and non-profit sector organizations. The Guidance Team makes sure the work of the teams stays result and citizen-focused.

Result Teams first **identify key indicators of success**. How would citizens know if we are making progress toward the high-level results?

Next they **identify proven or promising strategies for achieving results**. What does our experience and research tell us about the factors most critical to success?

Teams have access to the **activity inventory** – a catalog of the discrete activities of state government described in a citizen-oriented way.

- What do we do; for whom; why; what does it cost; what do we expect to accomplish?

Each team receives a **dollar allocation** that serves as a constraint to their purchase plan.

- The prioritization process is often more meaningful when the allocation is less than the amount currently spent in that result area.
- A dollar constraint encourages creativity, keeps proposals grounded in financial reality, and forces people to articulate priorities and choices.

The teams then **develop a results-based prioritization of activities** – Given the available resources, what are the most important activities to buy to achieve results?

- Teams are asked to focus only on maximizing results for citizens through evidenced-based strategies, and to ignore fund source and statutory restrictions that stand in the way.
- When they’ve exhausted their allocation, they list the items they would buy back next, in priority order.
- Conceptually, for each result you end up a list of prioritized activities with “purchases” above the line and potential buy-backs below the line.

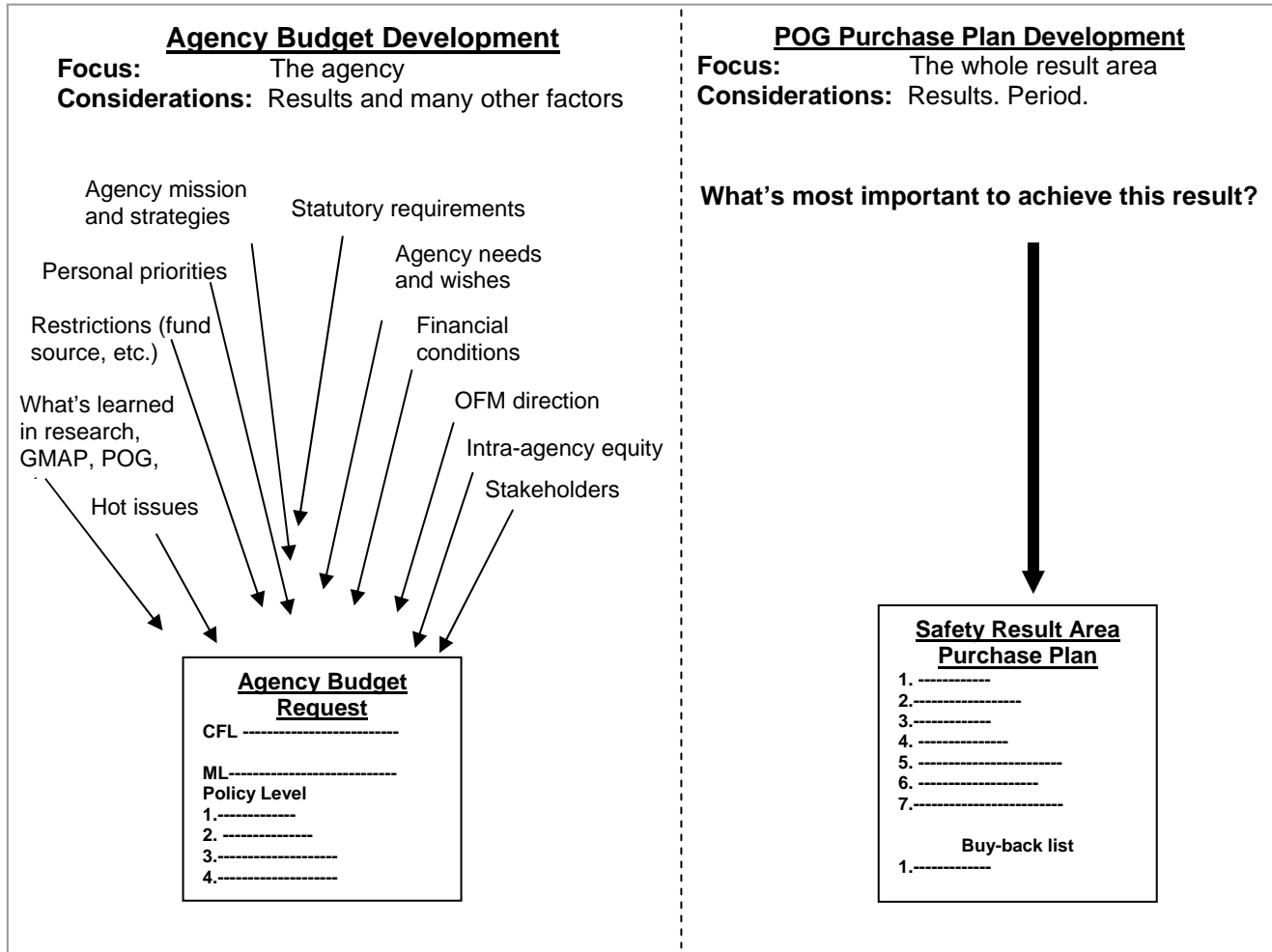
Key benefits of this POG framework

- Helps keep focus on contribution to results – lets us escape agency “silos” and consider statewide strategies.
- Makes performance information more relevant to budget choices.
- Facilitates thinking about trade-offs above and below the line and across the results areas. Does the budget make sense as a whole?
- Helps frame the questions, “Why does the line have to be drawn here? Can we make things above the line cost less? Are we sure we’re buying things at the best price?”
- Shows the “keeps” as well as the “cuts.”

Note: POG is not the actual budget. It’s what the budget might look like if the only objective were to maximize results to citizens. It helps build a better budget within the complex real world and helps identify barriers that need to be removed to build an even better one.

How is the POG Purchase Plan different from the regular budget?

A key benefit of the POG purchase plan is its intentionally narrow focus. POG helps ensure that the results-oriented budget perspective isn't lost amid all the other constraints and perspectives.



Is it really OK to ignore real-life constraints like fund source restrictions?

Yes. The POG process is meant to be a “safe place” to focus just on the evidence about what works best to achieve results. To make POG worthwhile, it's imperative that the other factors are set aside in the POG process.

How can this “unreal” Purchase Plan possibly help with the real budget?

The purchase plan helps us shape our recommendations for the real budget, to double-check them and to identify barriers standing in the way to achieving results.

- Do our recommendations differ from the POG Result Area Purchase Plan recommendations?
- If so, is it because we considered factors not allowed in POG?
- Are there barriers standing in the way we might want to remove?
 - Statutory and other restrictions
 - Stakeholder misunderstandings about what really works best?

Description of Key POG Process Elements

Statewide Results The Priorities of Government process has identified 10 results that form the core of what must be done, and done well, to serve the citizens of Washington State. These results form the framework of the POG exercise.

Teams of subject-matter experts have been established for each result area to make recommendations on the strategies and activities most essential for achieving these results.

Statewide Results	
	<ol style="list-style-type: none"> 1. Improve student achievement in elementary, middle and high schools 2. Improve the value of postsecondary learning 3. Improve the health of Washingtonians 4. Improve the security of Washington's vulnerable children and adults 5. Improve the economic vitality of businesses and individuals 6. Improve statewide mobility of people, goods and services 7. Improve the safety of people and property 8. Improve the quality of Washington's natural resources 9. Improve cultural and recreational opportunities throughout the state 10. Strengthen the ability of state government to achieve results efficiently and effectively

Statewide Result Indicators In past POG efforts, teams identified three to five key indicators they believed would provide the best evidence to the citizen about progress toward their assigned result. These indicators have been refined and baseline data for most is now available on the OFM web site at <http://www.ofm.wa.gov/fiscal/pog/indicators/>.

Causal Factor Maps POG teams also developed a diagram to depict the causal factors that most influence the result. Teams were asked to consider all causal factors, not just those influenced by state government. The most recent causal maps can be found on the OFM web site at <http://www.ofm.wa.gov/budget/pog/strategies.htm>.

Purchase Strategies and Indicators After developing the causal factor maps, teams used their experience and available research to select the most important strategies the state should pursue to achieve their designated statewide result.

Last fall, teams reviewed these purchase strategies and identified key indicators of success for each. These indicators are in the process of being refined. You can find a summary of the result area indicators, strategies and strategy indicators for each result area on the OFM

website at <http://www.ofm.wa.gov/budget/pog/strategies.htm>.

Activities and the Activity Inventory

Activities are the key building blocks used in the development of the POG purchase plan and the budget. The "Activity Inventory" refers to the collection of activities for an agency or result area.

An activity is meant to be a more descriptive and discrete component of government than the typical program definition. Programs often describe an organizational unit. An activity should describe a specific type of work or service performed by the agency. The description should give any citizen reader a visual picture of government at work and answer the questions: "What do you do? For whom? Why is it valuable?"

We have found that the kinds of performance measures that influence budget decisions fit better with activities than programs.

The results teams will use the activity inventory as the starting point for developing purchase plans. The Activity Inventory, reflecting the estimated activity costs of the 2005-07 budget, is available on the OFM web site at <http://www.ofm.wa.gov/budget/pog/resources.htm>.

Each activity description includes the following information:

- A brief description of the activity, its purpose, and its intended recipient or beneficiary;
- The estimated cost of the activity; and
- The expected results of the activity (conveyed as one or more performance measures and/or as a concise narrative description of outcomes).

Activity Summaries by Result Area

In the budget system, we have identified a "primary statewide result" for each activity. This enables us to present the full budget by activity without double counting. The activity inventory reports list only the primary activities for each result. Summary reports with this information can be found at <http://www.ofm.wa.gov/budget/pog/strategies.htm>.

However, because many activities certainly contribute to more than one result, we also note in the database any additional (secondary) result areas to which the activity may contribute. To see all the activities currently identified as contributing to each result, see the Result Area Summaries by Strategy and Activity reports at <http://www.ofm.wa.gov/budget/pog/resources.htm>.

- Purchase Plan** This fall, results teams are asked to develop a “purchase plan” for their result area. By purchase plan we mean the list of activities most important buy in order to implement the strategies shown to be most important to achieve the result. Teams may “purchase” activities from the Activity Inventory, purchase modified forms of those activities, or purchase completely new activities.
- The purchase plans developed for the 2005-07 budget development effort, along with other team products, are available on the POG website at <http://www.ofm.wa.gov/budget/pog/reports.htm>.
- POG website** You can find more information on the POG website at <http://www.ofm.wa.gov/budget/pog/default.htm> .
- Guidance Team** The Governor will invite leaders from business, labor, non-profit organizations, local government and state government to serve on the Guidance Team for POG. The Guidance Team reviews the work of the Result Teams, providing an executive perspective. The Guidance Team is asked to test whether the recommendations follow the POG criteria and are evidence-based.
- Tollgate Sessions** The Result Teams discuss their recommendations for each task with the Guidance Team at a Tollgate Session. The Guidance Team will ask questions and offer feedback to the teams at these sessions.

Result Team Roles

Who are the result Team members? The Results Teams typically include six to ten subject-matter experts from the executive branch of government. The leads for each of the teams is listed in bold on pages 2 and 3.

Each team includes an OFM budget analyst who will serve as a lead in helping the team access the agency information and subject-matter experts needed to aid the team discussions. A research consultant has also been assigned to each team to assist with research needs. A facilitator will also work with each team to help the process stay on course.

Team Responsibilities

- Follow the POG process and “rules of the game.” If you don’t, the value of POG is lost.
- It is critical that you think of yourself as agents for Washington’s citizens. It is vital to our success that you think beyond the scope and interests of just your own agency to take a statewide, citizen-centered perspective of your result area.
- Contribute and study research and evidence about the actions that contribute to results.
- Set aside what you know about statutory constraints and stakeholder opinions.

- Summary of tasks**
1. Assess the progress we’re making with the path we are on today and determine what the purchase plan will need to emphasize to improve results.
 2. Develop a purchase plan designed to best achieve results within the constraints given to the team. The plan should identify the most important activities to purchase to implement the high-level strategies. Also prepare a prioritized list of the activities to buy next, if more money were available.

Task 1: Develop the approach for building the purchase plan

What products are due?

- A. A discussion of the state's performance progress in this result area.
- B. A discussion of what the purchase plan will need to emphasize to improve results. These conclusions should be based on the best available evidence about what works.

Please limit your material to seven (7) pages.

Due Date - 9/26

Due to Lynne McGuire by 5:00 **Tuesday, September 26**

Tollgate #1 Presentation – 10/3

Your team will make a presentation to the Guidance Team at Tollgate #1 on Tuesday, October 3, summarizing your findings and recommendations.

The Guidance Team will receive your products shortly after you complete them. An OFM staff team will review these products and offer feedback on points you may want to clarify in the presentation to the Guidance Team.

For the Tollgate Session, please prepare a five-minute presentation. The Guidance Team will have about ten minutes for questions.

More about Product 1A—A discussion of the state's performance progress in this result area

Information about the performance of agency activities in each statewide result area is available at

<http://www.ofm.wa.gov/budget/manage/perfrept/0507/default.asp#resultarea>.

Agency strategic plans should also provide agency perspective on performance progress. In looking at these and other resources, how would you describe the state's performance progress in this result area?

- What are the most significant areas of success in this result area today?
- Where do you see the most significant performance gaps? Do these gaps represent the failure of a strategy, the failure to fund a given strategy, or something else?
- Where are the most significant opportunities to improve results?

More about Product 1B—A discussion of what the purchase plan will need to emphasize to improve results

In early June you'll have a chance to review agency strategic plans as they are posted at on the website.

<http://www.ofm.wa.gov/budget/manage/strategic/default.asp> These plans will offer insight into:

- The key changes and trends in agency operating environments, customer characteristics, and other issues affecting their ability and capacity to achieve results.

- The agency goals and objectives and the strategies they intend to pursue to achieve them.

Earlier this year, teams identified additional types of information and research they wanted to have available this fall as they assess evidence about the effectiveness of strategies to deliver results. Agencies were formally asked to provide some of this information as part of their budget submittal. Teams will have access to this additional information as soon as it is available.

Given all this information about performance progress, trends, challenges, and evidence-based strategies, help us understand what the purchase plan will need to emphasize to improve results.

Task 2: Recommend a Purchase Plan for this Statewide Result

- What products are due?**
- A. A purchase plan for 90% of your allocation representing the highest priority purchases to maximize results
 - B. A prioritized list of purchases for the remaining 10% of your allocation
 - C. A prioritized list of purchases you would recommend next if more money were available
 - D. A list of current activities you would not recommend be purchased
 - E. A one-page summary of the strategic choices that define the plan.

Due Date - 10/24 Due to Lynne McGuire by 5:00 p.m., **Tuesday, October 24**

Tollgate #2 – 10/31 These products will be presented to the Guidance Team at Tollgate #2 on Tuesday, October 31.

More about the purchase plan By purchase plan we mean the list of activities (and new proposals) most important to procure to implement the strategies most important for achieving the result. Teams may “purchase”:

- Activities from the existing Activity Inventory
- Modified forms of current activities (spending more or less than is spent today)
- Completely new activities

The team has only two basic constraints:

1. The team must stay within the dollar allocation it is assigned.
2. Use your total allocation to purchase activities most essential to achieving the best possible results. Your decision should be based on the best available evidence about what works.

The POG purchase plan is not the same thing as the final budget proposal for the result area. For the plan, we ask you to ignore most of the constraints that we face in building the real budget. The POG teams need only to stay within their dollar allocation and purchase the activities that are most important for achieving results. This ensures the POG process gives us a new perspective on the budget and helps us identify the constraints that may unnecessarily impede our ability to deliver results to citizens.

It is more important (and helpful to the budget process) that your team has wrestled with the right questions than it is to get one “right” answer. What are the key contributors to results? Where’s the leverage? What’s core? What are the strategic trade-offs? If we’re buying a lot of existing services, are there new expectations for results? What innovations do you recommend?

**More about
product 2A—
Purchase Plan for
1st 90% of the
allocation**

Use 90% of your team’s dollar allocation to purchase the activities and proposals most important to maximize results in this area. The plan should make sense in the context of the recommendations you made in Task 1. Ideally, you should be able to defend these recommendations with evidence about how these purchases will contribute to results and the desired performance progress.

- The template will organize the plan by strategy and for each strategy will guide you to:
 - List the activities and proposals purchased
 - Indicate the proposed cost of each activity or proposal (If the activity amount differs significantly from the activity inventory, explain why)
 - Note any caveats or clarifications.
 - Provide a subtotal of purchase plan expenditures for the strategy

**More about
product 2B—
Purchase Plan for
the remaining 10%
of the allocation**

It will be most helpful in the budget process to understand the relative contributions to results of the lower priority purchases in the purchase plan. For the remaining 10% of your allocation:

- List the purchases in priority order with the first item being the most important to purchase next.
- Indicate the proposed cost of each activity or proposal (If the activity amount differs significantly from the activity inventory, explain why)
- Note any caveats or clarifications.
- Indicate the strategy that each item on the list supports

The template will guide you.

**More about
product 2C—The
Buy Next List**

The dollar allocation teams receive will not be enough to buy all of the activities and proposals that could improve results. Please provide a prioritized “buy-next” list of the next purchases you would recommend if more money were available. The template will guide you to:

- List the purchases in priority order with the first item being the most important to purchase next.
- Indicate the proposed cost of each activity or proposal (If the activity amount differs significantly from the activity inventory, explain why)
- Note any caveats or clarifications.
- Indicate the strategy that each item on the list supports

More about product 2D—*List items not recommended*

Please identify any current activities, or portion of activities, considered to be a primary contributor to this result area that the team did not include in the purchase plan or the buy-next list. Please note if any of these activities were included in the purchase plan of another team. The template will provide a guide to display this information.

More about product 2E—*A one-page summary of the strategic choices that define the plan*

Provide a one-page discussion about the strategic choices that define the plan. If these choices differ from the planned emphasis you presented in Tollgate 1, please explain what changed in your thinking. Also note:

- Any significant changes in how fund sources can be used assumed in your purchase plan.
- Identify key activity changes, innovations, savings, and new activities assumed in your purchase plan.
- The type of capital investments that would contribute most to achieving the results in this result area. Describe other possible affects on the capital budget implied by your purchase plan.

Purchase Plan Ground Rules

The basic constraints

- Your team will receive a dollar allocation for this exercise. This is the maximum amount of state dollars your team can spend to purchase activities. (However you can note additional desired purchases on the “buy next” list.)
- Use your total allocation to purchase activities most essential to achieving results. Your decision should be based on the best available evidence about what works.

Normal constraints to ignore for the purchase plan

Ignore fund source restrictions—we know this is difficult, but it is important to the success of the effort. All money is green in POG. If using your allocation to buy the most effective strategies means you would be required to use certain funds for purposes prohibited today, just note this in the purchase plan. But it's OK to do.

Statutory requirements—Just because an agency is required to do something by law, doesn't mean that it's the best thing to do to achieve results. In POG, we want you to ignore these restrictions and focus on what really works.

Federal and private/local funds

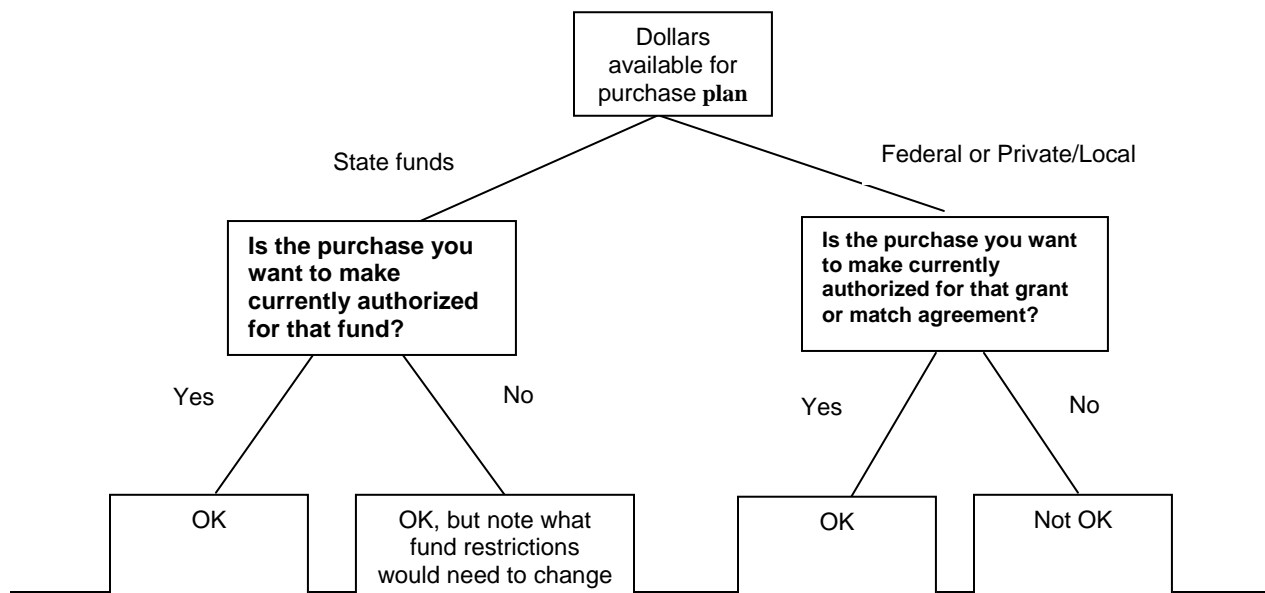
Only state funds are used in the actual purchase plan, but we will ask you to note federal and private/local fund sources associated with the activities you purchase to provide a more complete picture of the intended investments. Information about federal and private/local funds will be provided for each activity and proposal.

Federal grants and federal match

Federal grants and match funds can only be used for authorized purchases in the spending plan. You don't have to purchase the activity that is supported by federal funds if your team finds it doesn't contribute enough to results. However you can't then use that federal money for other purchases in the spending plan.

When prioritizing the use of state funds, do think about whether they can be leveraged to attract federal funding to the state in order to produce the intended results.

How Allocation Dollars May be Spent in the Purchase Plan



Local Government Allocations	<p>Local government - Allocations of state funds to local units of government will be included, locally generated funds will not. However, teams should consider the impact of local resources on the achievement of their results. Teams should look for overlaps/duplication of services between and among state and local units. If the team opts to pay local government or sub-recipients to deliver results, the team must identify the conditions and expectations around these results. Please note if statute changes would be needed to make this possible.</p>
You are not restricted to the Activity Inventory or Budget Proposals	<p>The Activity Inventory information provided to the team is meant to show you the current state-funded activities related to your Result Area. You are not in any way restricted to this list of activities in developing your purchase plan.</p> <p>The team will also receive agency budget proposals related to the result area. The team is not restricted to this list of new proposals in the purchase plan.</p>
Showing costs in the plan	<p>The costs shown for the activities will be at the agency proposed maintenance level cost. If you intend to purchase an activity at the same level it is provided today, please use the dollar amounts noted in the Activity Inventory unless you are proposing some change in service delivery that would change costs. Do not try to factor in inflation.</p>
Collaboration with other teams is encouraged	<p>Conversations and agreements across Results Teams are encouraged. It may be necessary to collaborate with other teams to ensure results are maximized.</p>